



OFFICE OF THE SHERIFF

COUNTY OF LOS ANGELES

HALL OF JUSTICE

JIM McDONNELL, SHERIFF



August 4, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NUMBER EIGHT TO AGREEMENT
NUMBER 76038 WITH QUEST DIAGNOSTICS, INCORPORATED
FOR MEDICAL LABORATORY SERVICES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Los Angeles County (County) Sheriff's Department (Department) is seeking the Board's approval and execution of Amendment Number Eight (Amendment) to Agreement Number 76038 (Agreement) with Quest Diagnostics, Incorporated (Quest), that will extend the term of the current Agreement for Medical Laboratory Services (Services) for up to six months. This extension period is required to allow the Department to transition the Services to the County's Department of Health Services (DHS) as requested by the Board.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and instruct the Mayor of the Board to sign the attached Amendment to the Agreement with Quest to continue providing Services. The Amendment will extend the term of Agreement for a six-month period, from August 20, 2015, through February 19, 2016.
2. Delegate authority to the Sheriff, or his designee, to terminate the Agreement earlier, in whole or in part, with 30 calendar days advance written notice, once the transition to DHS has been completed.

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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department to continue to provide medical treatment to inmate patients and allow Quest to provide the required Services, while the Department completes the transition for these Services to DHS. As part of a report to the Board on June 28, 2012, the Director of DHS (Director) provided a review of the methods used by other California counties to provide health care services to incarcerated patients, as well as a proposed plan for DHS to collaborate with the Department's Medical Services Bureau (MSB) to improve Services by providing on-site specialty care to inmate patients. The Board instructed the Director to work with the Sheriff to implement cost savings proposals to fund a collaborative specialty care initiative and approve related actions.

The Department and DHS have collaborated on efforts to reduce laboratory costs and are currently working through the logistics to allow the Martin Luther King Jr. Outpatient Center (MLK-OC) to perform most of the high-volume laboratory testing currently performed by Quest. This will save the Department over \$200,000 per month and implementation is anticipated before the fall of 2015. In addition, the Department and DHS are working together to finalize an amendment to the DHS Master Services Agreement for similar Services for the Department to retain access to Quest for Services that are not performed by MLK-OC.

Implementation of Strategic Plan Goals

The Services provided under the proposed Amendment support the County's Strategic Plan, Goal 1, Operational Effectiveness/Fiscal Sustainability; and Goal 3, Integrated Services Delivery, by allowing the Department to provide quality and cost-effective Services to the County's inmate patients.

FISCAL IMPACT/FINANCING

The Department will appropriate funds from the Department's Fiscal Year 2015-16 operating budget for the proposed six-month extension period. The expenditures for Services are estimated to be \$3 million for the term of the Amendment. Actual expenditures will only be incurred on an as-needed basis.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under federal and state law, the Department has the legal obligation to provide medical treatment to the County's inmate population. Since September 1, 2000, the Department has contracted with Quest for Services. The Services include, but are not limited to, diagnostic analyses of specimens for the purpose of assisting County physicians in

determining the appropriate medical treatment for inmate patients being held by the Department. Proper treatment is dependent on laboratory test results.

On February 20, 2007, the County and Quest entered into the Agreement for a term of three years plus two one-year options and one six-month option. The Department, under delegated authority, exercised the options and updated the Health Insurance Portability and Accountability Act language under Amendments Number One through Four.

On August 7, 2012, the Board approved Amendment Number Five to extend the term of the Agreement for an additional 18 months.

On February 11, 2014, the Board approved Amendment Number Six to extend the term of the Agreement for one year plus one six-month option, and added the County mandated language regarding the County's Contractor Alert Reporting Database. The Department's current Agreement expires August 19, 2015.

Quest's laboratory information system currently interfaces with the Department's Jail Health Information System application, which provides complete medical and mental health records of patients in the County's custody. Once the Department transitions Services to DHS, the Agreement with Quest will be terminated. The DHS Master Services Agreement is slated to expire on October 31, 2015, and may be extended on an annual basis through October 31, 2017, for up to six additional months through April 30, 2018, under delegated authority.

Amendment Number Eight extends the term of the Agreement for a period not to exceed six months.

Quest is in compliance with all Board and Chief Executive Office requirements.

DHS has reviewed and concurs with the recommendation.

County Counsel has reviewed and approved the Amendment as to form.

Except as expressly provided in the Amendment, all other provisions and conditions of the Agreement will remain the same and in full force and effect.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

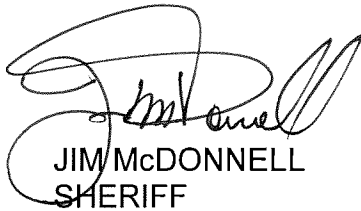
Approval of these actions will ensure uninterrupted Services for the County's inmate patients.

The Honorable Board of Supervisors
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CONCLUSION

Upon Board approval, please return two adopted copies of this Board letter and two originally executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McDonnell", is written over the printed name and title.

JIM McDONNELL
SHERIFF

**AMENDMENT NUMBER EIGHT TO AGREEMENT NUMBER 76038
FOR MEDICAL LABORATORY SERVICES**

This Amendment Number Eight (hereinafter "Amendment") to Agreement Number 76038 (hereinafter "Agreement") is entered into by and between County of Los Angeles (hereinafter "County") and Quest Diagnostics, Incorporated (hereinafter "Contractor"), effective upon execution by all parties.

- A. WHEREAS, on February 20, 2007, County and Contractor entered into the Agreement to provide Medical Laboratory Services for the Los Angeles County Sheriff's Department (hereinafter "Department"); and
- B. WHEREAS, on February 11, 2014, County and Contractor entered into Amendment Number Six to the Agreement to extend the Agreement for an additional twelve (12) months; and
- C. WHEREAS, on November 24, 2014, County and Contractor entered into Amendment Number Seven to the Agreement to extend the Agreement for an additional six (6) months; and
- D. WHEREAS, the Agreement is currently in its final six-month option period and expires on August 19, 2015; and
- E. WHEREAS, County and Contractor desire to (1) extend the Term of the Agreement for an additional six-month period from August 20, 2015 to February 19, 2016, (2) update the County-mandated provision regarding the GAIN/GROW Program, and (3) add the County-mandated provision regarding Time Off for Voting.

NOW THEREFORE, in consideration of the mutual covenants set forth herein, and for good and valuable consideration, County and Contractor hereby agree to amend the Agreement as follows:

- 1. Paragraph 4.0 (Term) of the Agreement is deleted in its entirety and replaced as follows to extend the Term of the Agreement through February 19, 2016:

4.0 TERM OF THE AGREEMENT

- 4.1 The Term of this Agreement shall commence February 20, 2007, and shall terminate on February 19, 2016. Notwithstanding, the Sheriff, or his designee, may terminate this Agreement earlier, in whole or in part, with thirty (30) calendar days advance written notice of such termination.
- 4.2 The County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise an agreement term extension option.

**AMENDMENT NUMBER EIGHT TO AGREEMENT NUMBER 76038
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4.3 Contractor shall notify the Department when this Agreement is within six (6) months from the expiration of the Term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to the County Project Director at the address herein provided in Subparagraph 8.1 (County Project Director) of this Agreement.

2. Paragraph 27.0 (Consideration of GAIN Program Participants for Employment) of Exhibit A (Additional Terms and Conditions) of the Agreement is deleted in its entirety and replaced as follows to update the County-mandated provision:

27.0 CONSIDERATION OF HIRING GAIN/GROW PARTICIPANTS

27.1 Should the Contractor require additional or replacement personnel after the Effective Date of this Agreement, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor. Contractors shall report all job openings with job requirements to: GAINGROW@dpss.lacounty.gov to obtain a list of qualified GAIN/GROW job candidates.

27.2 In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

3. Paragraph 60.0 (Time Off for Voting) is added to Exhibit A (Additional Terms and Conditions) of the Agreement as follows to add the County-mandated provision:

60.0 TIME OFF FOR VOTING

Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (California Elections Code Section 14000). Not less than ten (10) calendar days before every statewide election, every Contractor and subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of California Elections Code Section 14000.

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4. Except as expressly provided in this Amendment, all other provisions, terms and conditions of the Agreement will remain the same and in full force and effect.
5. Contractor and the person executing this Amendment on behalf of Contractor hereby represent and warrant that the person executing this Amendment for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.

**AMENDMENT NUMBER EIGHT TO AGREEMENT NUMBER 76038
FOR MEDICAL LABORATORY SERVICES**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment Number Eight to be executed on its behalf by the Mayor of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number Eight, or caused it to be duly executed by its duly authorized officer.

COUNTY OF LOS ANGELES

By: _____
Mayor, Board of Supervisors

ATTEST:

PATRICK OGAWA
Acting Executive Officer
of the Board of Supervisors

By: _____
Deputy

QUEST DIAGNOSTICS, INCORPORATED

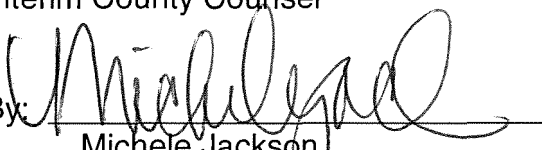
Signed: _____

Printed: _____

Title: _____

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By:  _____
Michele Jackson
Principal Deputy County Counsel